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## EMPLOYERS' ASSOCIATIONS FOR DEALING WITH LABOR IN THE UNITED STATES.

### I.

THE rise and rapid progress during the past five or ten years of the movement for the organization of employers of labor into strong associations having for their sole or primary purpose the treating with, or resistance to, the claims of similar associations of their employees, constitutes the latest, and at present most significant, feature of the labor movement in the United States. In the first place, it indicates clearly that that movement is now entering upon a new phase. In it is found expression of the tardy recognition by employers that the trade-union movement comprehends something more than a mere struggle for higher wages and shorter hours; that it is based upon, and carries with it, the effort to change radically the whole organization of industry, in so far as the important matter of the method by which the relations of labor and capital, or employer and employee, shall be adjusted, is concerned.

The explanation why this realization has come at the present time is found, on the one hand, in the great growth in strength of the trade-union movement during the past few years, and on the other in the increasing extent to which this movement has laid emphasis upon, and given definite statement to, the essential or fundamental aims for which it stands. Again, it is important to note that the organization of employers into associations of this character is but a logical step in, and the natural complement of, the trade-union movement; that the development of such associations con-

stitutes an essential feature of the latter, without which it would be impossible for it fully to accomplish the purposes for which it exists. The essence of the aim of trade unions is the establishment, by means of collective bargains, of standard wages and other conditions of employment that shall be of general application to all establishments of a trade throughout a competing district. This being so, it is evident that this aim can only be carried out where the employers are in a position to act in accord in treating with the unions. The unions clearly recognize this, and notwithstanding that the associations of employers are organized with the avowed purpose of resisting in many respects their demands, have welcomed their formation as being in the direction of the organization of industry along the lines for which they have been contending.

Many other reasons may be given why the rise of these organizations should be considered a forward step in the evolution of the labor problem. No one can read the history of the struggle between labor and capital during the past century and a half without a feeling of depression which springs from his recognition of the fact, now so clearly apparent, that much of the trouble that has occurred has been due to the lack of understanding on the part of the employers of the essential character of the objects for which the workingmen were contending and the philosophical principles upon which the right of workingmen to combine and collectively assert their demands could be defended. The general organization of employers, their meeting in annual and other conventions, the publication of official journals devoted to the discussion of trade union and other labor matters, are significant in that they may almost be said to represent the first real attempt on the part of employers of labor to arrive at an understanding of the basis upon

which the trade union rests, and the principles in accordance with which the relations of capital and labor should be adjusted. Finally, in enumerating the important features of the employers' organization movement, prominent mention should be made of the important service that they can render in keeping the trade unions within bounds as regards their demands and actions. There is a very real danger that, as trade unions gain in power, they will use their strength to push their demands far beyond what can properly be justified. As Mr. Henry White, one of the most logical and acute reasoners among the labor leaders, in a contribution to the *Monthly Bulletin of the National Civic Federation* has well put it:—

When actuated by a common grievance, they [the trade unionists] appeal to the highest sentiment; but, when they feel secure in their power, they are likely, unless controlled by rare wisdom, to apply it as ruthlessly as the other side, and the latter, hard pressed in turn, are moved to make the same appeal to justice. That is human nature, and we might as well be candid about it. The unionist is liable to seize his opportunity, just as the employer has done, to exact all he can without regard to ultimate consequences, and, when he feels safe, becomes deaf to all entreaties.

Whatever may be our sympathies with the general principles of the trade-union movement, all must indorse the statement of Mr. White, and recognize the desirability of an organized resistance that will subject its claims to critical examination and keep its operations within its legitimate sphere. One has only to bear in mind the claims and actions of the trade unions in reference to such matters as restriction of output, limitation upon the number of apprentices, boycotting, unlawful picketing, etc., to appreciate the need of such organized and critical opposition.

## II.

The movement for the organization of employers for the purpose of treating with, or opposing, trade unions, is one whose history can be given only in its general outlines. This is due to the fact that for a great many years employers in many industries have had their local and national organizations for the consideration of their special trade interests. Originally these associations did not include in any way among their functions that of even considering, much less of taking action in relation to, labor matters. It was inevitable, however, that, as the trade unions made their demands upon employers generally in a trade instead of upon particular establishments, the employers should utilize these organizations for the consideration of these demands. As the principle of collective bargaining gradually extended, many of these associations added to their functions that of treating with labor. It is probable that at the present time almost every general association of manufacturers or employers of labor concerns itself with labor matters to a certain extent.

There are many reasons, however, why these associations for general trade purposes are not well fitted for the performance of this particular duty. To accomplish this end, the association should be so conducted that its officers should have formally delegated to them adequate power both to make and enforce labor contracts; and, if it is to be able to do this, and also to take such further action as is necessary in order to resist the improper demands of the unions and protect its members when trouble actually arises, the association must have adequate dues for the creation of a defence fund and a steady and well-organized executive machinery comparable to that possessed by the unions. This is being recognized by

the employers, and special organizations of employers, local and national, that have for their sole function action in relation to these matters, are, therefore, constantly springing into existence. It is with these associations that the present study is chiefly interested.

Without attempting to give a complete enumeration of the cases where associations have, as their sole or most important function, to determine the conditions of labor in the trade, the following statement of the chief examples where national associations of employers take action in this respect will give a general idea of the extent to which this movement has advanced. A very early, possibly the earliest example, of the organization by employers of a national association of this character is that of the creation of the Stove Founders' National Defence Association in 1886. Since its organization this body has contributed greatly to the maintenance of industrial peace in that branch of the foundry industry having to do with the manufacture of stoves and furnaces by making formal contracts with the national unions of the most important classes of skilled employees of the trade,—the Iron Moulders' Union of North America, the Metal Polishers', Buffers', Platers', Brass Moulders', and Brass Workers' International Union of North America, and the Stove Mounters' International Union of North America. The first of these contracts was made in 1891 with the first-named of these organizations, since when it has been annually renewed. The success of this effort led to the creation in 1898 of the more comprehensive organization of employers, the National Founders' Association, which, like the stove founders, adopted the policy of concluding collective labor contracts with the Iron Moulders' Union. In the same year, 1898, the Dock Managers' Association, representing all the important shipping interests of the Great Lakes, adopted the same

policy in respect to the International 'Longshoremen, Marine and Transport Workers' Association, and annually since then contracts have been made regarding the conditions of labor that shall prevail in that industry. The fall of the following year witnessed the organization of the very important National Metal Trades' Association, which almost immediately, or in 1900, succeeded in concluding with the International Association of Machinists an agreement which it seemed, at the time, would furnish the means for the adjustment of all troubles in the machinery industry. This was followed by the execution of similar agreements between the American Newspaper Publishers' Association, a body organized in 1887 and incorporated in 1897, and the International Typographical Union in 1901, and the International Printing Pressmen's and Assistants' Union in 1902. The year 1903 was marked by the members of a number of strong national associations of employers succeeding in coming to an agreement among themselves regarding the policy that they should pursue towards labor, and in making binding contracts relative to the matter with national associations of employees. Such agreements were thus executed in that year by the United Typothetæ of America with the International Printing Pressmen's and Assistants' Union, by the National Association of Marble Dealers with the International Association of Marble Workers, and by the National Tailors' Association with the United Garment Workers of America. We thus find at the present time in the seven great industries of stove and furnace manufacturing, metal foundry work, lake transportation, machine construction, publishing and printing, marble cutting, and ready-made clothing manufacturing, strong national associations of employers so organized and conducted that they have been able to treat with national associations of employees, and conclude contracts

with the latter relative to the conditions of labor that shall obtain in those industries. There are various other trades, such as cigar-making, boot and shoe manufacturing, hat-making, brewing of malt liquors, etc., where employers act together in dealing with national associations of employees, but where they have not as yet developed equally strong associations to represent them in negotiating contracts. Although not national in scope, special mention should also be made of the Illinois Coal Operators' Association, organized in 1897, as that association may be said to have pointed out the way for the organization of many of the national associations that followed. In the building trades, also, notable progress has been made in the organization of employers in important cities for the purpose of bargaining with trade unions. The New York Building Trades Employers' Association was created in 1903, and has already been very influential in establishing some measure of order in the chaos that had for years existed in the building trades in that city.

The listing of these larger organizations of employers, however, gives but a very imperfect idea of the extent to which during the past few years employers have resorted to the formation of associations for the purpose of representing their interests in the determination of labor conditions. All over the country local associations have sprung into existence. This is particularly true of the machinery, iron moulding, printing, and building industries. These local associations have assumed various forms. In most cases they are created by the employers in a particular trade. In others they include all classes of employers in the district covered, and in still others persons who are not employers of labor, but are opposed to trade unions or their practices, may be members. The latter class of associations have usually

taken the name of "Citizens' Alliances," and in many ways may be said to partake of the character of law and order leagues.

As soon as the movement for the formation of organizations of employers had gained a certain headway, it was but natural that steps should be taken looking to the creation of a general body through which the movement might, so to speak, have a directing head. The first move in this direction was taken by the National Manufacturers' Association. This organization had been created in 1895, mainly for the purpose of building up the export trade in manufactured goods of the United States. In 1901 it broadened its scope by taking action for the purpose of defeating two labor measures, the eight-hour and the anti-conspiracy bills, which were then pending before Congress. In its annual meeting at New Orleans in 1903 Mr. David M. Parry made the question of the relations between labor and capital, and particularly that of the "open shop," the leading topic by devoting almost his entire annual address to that subject. This address inveighed against the practices of trade unions, and dilated upon the dangers that it was believed were involved in the whole trade-union movement to such an extent that Mr. Parry personally, and the National Manufacturers' Association as a body, immediately became in public estimation the head of the whole movement on the part of employers to organize for the purpose of resisting trade-union demands. While the members of the association showed themselves greatly interested in, and in general sympathy towards, the desire of Mr. Parry that the association should make the opposition of trade-union demands one of its chief aims, they were unwilling to sacrifice the other objects of their organization by giving too much attention to this subject. It was consequently decided to create a separate organization that

should fill this need. A Committee on Constitution was appointed, which met in July of the same year at Indianapolis, drafted a constitution, and issued a call to all officers and members of employers' associations and citizens' alliances to meet at Chicago on October 29 for the purpose of effecting a permanent organization. The outcome of this latter meeting was the formation of "The Citizens' Industrial Association of America," with Mr. Parry as its first president.

Although this association was organized for the special and sole purpose of uniting employers and employers' organizations into a general body that should represent its members in their opposition to trade unions or trade-union practices, its organization is of such a character that it is extremely doubtful whether it can entirely fill the needs of the case. What is wanted is a general body that shall unite the national and local associations of employers in particular trades, and stand in such relations to them as the American Federation of Labor does to the national and local unions. This the Citizens' Industrial Association does not do. Not only is the membership of the association heterogeneous, including diverse sorts of organizations and individuals, but its objects are general rather than specific. The association, in fact, is but little more than a general organization for carrying on a propaganda of certain principles, and is not at all fitted to perform the technical functions of the directing head of associations, which are, or should be, purely business bodies for adjusting with analogous bodies of employees the conditions of labor.

The foregoing, at best, has given only the most general idea of the nature of the associations of employers that have been organized and the manner in which they work. To understand their real significance as a part of the modern industrial mechanism properly, it is imperative

that the general considerations already given should be supplemented by a more detailed study of the exact manner in which these associations are organized, the principles for which they stand, and the actual experience that they have had in attempting to put them into practice. This can best be done by making a selection of one or more of the more important associations and studying their organization and history in detail. For this purpose a choice has been made of the National Metal Trades Association, the National Founders' Association, and the Building Trades Employers' Association of the City of New York, organizations that are the most prominent of the employers' associations, and have also had unusually instructive experiences in dealing with strong organizations of labor.

### III.

The National Metal Trades Association is composed of the leading firms or corporations operating plants engaged in the manufacture of metal goods of any kind. It was organized by a few manufacturers in the fall of 1899 for the purpose of putting an end, if possible, to the frequent strikes and lockouts with which the machinery industry was at that time troubled. It has steadily increased in importance, until, according to the report of its commissioner in 1904, it embraced, approximately, 325 manufacturers having in their employ between 40,000 and 50,000 workingmen, while also having affiliated with it local associations with a membership of approximately 500 other manufacturers employing from 35,000 to 40,000 more employees.

The association had scarcely been organized when the necessity for its existence was clearly demonstrated. Early in 1900 indications began to accumulate that the machinery industry in the United States might have to

pass through the same costly struggle that Great Britain experienced in 1897,—a struggle which at the time seemed to threaten the destruction of England's supremacy in that field. The machinists had a strong and aggressive union in the International Association of Machinists, while the employers were almost wholly without organization. In 1900 this union deemed that the time had come to enforce a more general compliance with its essential demands, which included the recognition of the union, the employment of only union men, the adoption of a nine-hour day, and a limitation upon the number of apprentices to be employed. The movement was inaugurated at Chicago on March 1 of that year, compliance with these terms being demanded of the machinery manufacturers of that city. The employers seem to have been taken more or less by surprise. Perceiving that the movement was a general one, they, however, promptly effected an organization under the name of the Chicago Association of Machinery Manufacturers. This association from the start adopted a conciliatory attitude, and made various ineffectual efforts to come to an agreement with the machinists' union. In the mean time the strike had spread to a number of other cities; and the National Metal Trades Association, which had been organized the year before, decided to intervene for the purpose of securing, if possible, an adjustment of the difficulty. On March 17 its officers had a formal conference at Chicago with those of the International Association of Machinists. An understanding not being reached at this conference, a second one was held two weeks later, on March 31. At this meeting an agreement was finally arrived at. This agreement was embodied in what is known as the "Chicago Agreement," and constitutes one of the most notable agreements between organized labor and organized capital that has taken place in the United States. It

is drafted in the terms of a formal contract between the two national associations, and, after indorsing the principle of national arbitration in the settlement of trade disputes, provides, as its most important stipulation, that

in all pending disputes and disputes hereafter to arise between members of the respective organizations—*i.e.*, an employer and his employees—every reasonable effort shall be made by the said parties to effect a satisfactory adjustment of the difficulty, failing in which either party shall have the right to ask its reference to a committee of arbitration, which shall consist of the presidents of the National Metal Trades Association and of the International Association of Machinists, or their representatives, and two other representatives from each association appointed by the respective presidents. The findings of this committee of arbitration by a majority vote shall be considered final as regards the case at issue, and as making a precedent for the future action of the respective organizations.

This important agreement was but a preliminary step towards the settlement of the points at issue between the two parties. There still remained the more difficult work of determining the actual conditions that should obtain in the machinery trade, which was the work of the conciliation or arbitration board provided for by the agreement. This board met for this purpose in New York, May 10 to 18, and, after considering with the greatest care all the elements involved, finally succeeded in arriving at a basis acceptable to both parties. This agreement was set forth in a set of resolutions that constituted a real collective labor contract, in that it provided not merely for the manner in which conditions of labor should be determined, but attempted to determine what those conditions should be. This agreement was justly hailed as one of the greatest steps ever taken in the United States towards placing the relations of employers and employees upon a more satisfactory basis. It was cer-

tainly a great gain for organized labor, as it represented the acceptance of a number of the most vital principles for which it had been contending for years.

Unfortunately, notwithstanding this apparently satisfactory adjustment of all points of dispute, the whole arrangement broke down in the short space of one year. The explanation of this failure can be found in the character of the contract itself. The contract between the two associations provided that on May 20, 1901, the nine-hour day should be introduced in all the shops of members of the employers' association. Nothing was said in the contract regarding whether the hourly rate of wages should be changed so that the workingman would continue to receive the same daily rate of wages as formerly or not. About this point it was soon seen that the two contracting parties were completely at variance. This being so, it would at first seem that this was a matter that should be settled by arbitration, as provided for in the agreement. Here, too, however, an equally irreconcilable difference existed. The employers took the position that this matter of adjustment of wages was a local one to be settled by the individual shops or districts, while the employees claimed that it was an essential part of the national agreement and should be adjusted by the two national bodies. On these two and other lesser points a complete rupture ensued. Strikes were again inaugurated, and this very promising effort came to an end.

It is not necessary for our present purpose to attempt to apportion the blame for this failure. It is only important to point out that failure came, not because the method of collective bargaining is impracticable, but because this particular bargain did not provide properly for contingencies that were bound to occur. To a considerable extent, also, the lack of success may be attributed to the

fact that neither the employers nor the employees were sufficiently educated regarding the principles that should be followed in concluding such a contract. The employees insisted that the contract should cover certain points the determination of which properly should lie in the discretion of the employers, while the latter possibly did not appreciate the full weight of the argument of the employees that the matter of hours of labor and wages was not wholly a local issue. In a way, therefore, it may be said that the contract represented a step taken before the parties were fully prepared to continue it.

As a necessary result of this failure both the National Metal Trades Association and the International Association of Machinists assumed towards each other a different attitude from that which they had taken up to that time. Their efforts to reach an agreement fixing the conditions of employment in the trade practically ceased, and the two now are facing each other more or less as hostile bodies. The New York agreement of 1900, in addition to being a contract, also served in a way as a statement of the position of the parties representing the matters in dispute and the manner in which future differences should be adjusted. On the rupture of this agreement the National Metal Trades Association deemed it desirable to formulate and make public the fundamental principles upon which it stood, and the attitude and policy that it should adopt towards trade unions and labor problems generally. This it has done in a declaration of principles, adopted June 18, 1901, and in resolutions concerning apprentices and employment bureaus to be maintained by employers' associations, adopted May 4, 1903. The essence of this declaration of principles is contained in the first section:—

Since we, as employers, are responsible for the work turned out by our workmen, we must therefore have full discretion

to designate the men we consider competent to perform the work and to determine the conditions under which that work shall be prosecuted, the question of the competency of the men being determined solely by us. While disavowing any intention to interfere with the proper functions of labor organizations, we will not admit of any interference with the management of our business.

The remaining sections but amplify and apply to specific cases the thought here expressed. They declare that the association will not submit to the principle of the closed or union shop, and that it will tolerate no restriction upon output, the number of apprentices and helpers that may be employed, or the kind of machinery and methods of work. Strikes are disapproved, the principle of arbitration is indorsed, and the members are recommended to meet their employees, either individually or collectively for the purpose of determining the conditions of labor that shall obtain in their shops. Hours and wages are declared to be local matters that should be arranged by the local association in each district.

This definite statement by the employers of their position in respect to the matters of dispute between labor and capital is in itself a great gain. Until it had been made, the first essential did not exist for securing any settlement of matters in dispute that would be permanent because based upon fundamental principles accepted by both parties. As the position of the workingman has long been known, the issue may now be said to be squarely joined. There consequently exists a basis for discussion, the lack of which has been the real cause of the failure of past efforts to reach a permanent agreement.

Having now obtained an idea of the events which led to the creation of this association and its subsequent history, together with its general position in respect to labor matters, and especially toward trade unions, it remains

for us to describe more particularly its technical organization and the means that it has adopted for the maintenance of its position as against that of the trade unions with which it has to contend.

The National Metal Trades Association has an exceptionally well worked out scheme of organization. According to its constitution, as revised in 1903, the association contemplates having all the metal manufacturers organized in local or district associations which shall then be affiliated with the national organization. Until that object is attained, however, provision is made whereby individual manufacturers may be directly affiliated with the national body. At the present time, therefore, the membership of the association consists of both individual firms and local associations. No local association is admitted to membership unless it has adopted a constitution and by-laws in conformity with those of the national association. In order that the work of the association may be decentralized to a certain extent, the constitution provides that the members located in adjacent territory and having common interests shall be organized by the administrative council of the central body into district associations, proper consideration, of course, being given to the wishes of the members directly concerned. Each of these associations has its own officers, constitution, and by-laws, which must conform to those of the national body and must hold each year a convention, at which it must elect its district committee of five persons. At the present time the members of the associations are grouped in seventeen such district associations. It is the district associations which take direct charge, under the direction of the administrative council, of the defence of the members in the case of any strike.

The association has the usual complement of officers, elected annually by the members. The voting power of

members is measured by the number of their employees, but no firm can vote on the basis of more than five hundred employees. The real direction of the affairs of the association is vested in an administrative council, composed of the president, first and second vice-presidents, treasurer, and eight councillors, elected every two years by the association in its regular convention, and a commissioner appointed by the council. The association is supported by initiation fees and regular and extraordinary assessments. The initiation fee consists of a payment by the new member to the reserve fund of the association of a sum in such proportion to the unexpended balance of this fund as the number of operatives employed by him bears to the total number employed by all the members. Upon his resigning, he is entitled to have refunded to him his proportionate share of the balance of the fund. If the member so elects, he can pay instead an initiation fee of \$25, in which case, however, he will have no claim upon the reserve fund upon his retiring from the association. Assessments levied upon members must be based on the number of operatives employed by them. The amount of the regular assessments is determined by the administrative council quarterly, in accordance with the needs of the association, but may not exceed 20 cents per operative per month. Extraordinary assessments may only be levied in cases of emergency and by a two-thirds' vote of the administrative council. The funds of the association consist of a general fund, available for ordinary expenses, and a reserve fund, which can be drawn upon for defence purposes only. The reserve fund must be invested by the Treasurer, under the direction of the administrative council.

The essential aims of the association are to establish unity of policy and action on the part of members in

all matters that refer to their contractual relations with their employees, and to bring to the aid of such members as are subjected to what are believed to be unjust demands on the part of labor unions the full power of the whole association. The first of these is accomplished by the adoption of a formal declaration of principles and resolutions, setting forth the position of the association on all important points, and by the incorporation in the constitution and by-laws of provisions by which the members are rigidly bound neither to take no action likely to result in a strike, nor to settle any strike when it has occurred, except upon such terms as the association may approve. Various means have been established whereby the association lends its assistance to members involved in difficulties resulting from their insisting upon principles indorsed by the association. The declaration of principles has already been commented upon. In respect to the manner in which the association shall proceed in attempting to avoid or settle labor differences, careful provision is made by the constitution and by-laws. These provisions, describing the whole machinery by which the association acts, are so important that they should be produced *in extenso*. They read:—

Whenever any disagreement may arise between any member and his employees, which is likely to lead to collective action on the part of said employees, immediate notice thereof shall be given in writing to the commissioner and to the district chairman. Such officers shall be further kept advised of any new phase of the situation until such disagreement shall be adjusted.

Whenever a collective demand is made by employees on a member of this association, notice of such demand in writing shall be immediately sent to the commissioner and district chairman; and a full account or copy of such demand shall be mailed to such officers. Whenever possible, it shall be insisted that such demands shall be put in writing, and a statement made to those presenting the demands that a copy be forwarded to the National Metal Trades Association.

No member of the association shall, without first submitting the matter to his district officers, take any action liable to provoke a strife, except in cases of emergency, when he shall at once notify his district officers of his action. No member shall, without first submitting the matter to his district officers, adjust with his employees any strike or difficulty involving a principle of local or national interest. In the conduct of labor disputes, members must proceed in the manner set down in the constitution and by-laws, or forfeit all rights to financial or moral support from this association, at the discretion of the administrative council.

Another section, using practically the identical language as the last paragraph quoted, further provides that no district shall take action in reference to a strike or its settlement until the matter has been submitted to the commissioner for the approval of the administrative council.

In regard to aggressive measures the constitution provides that no local lockout proposed by a district shall be countenanced by the association unless it is advised by members employing 90 per cent. of the operatives under the jurisdiction of that district and has been approved by a two-thirds vote of the administrative council, and that no general lockout shall be declared except upon an 80 per cent. vote of the members assembled in an annual or special convention at which 80 per cent. of the members are duly represented. Written notice that the question of a general lockout is to be voted upon must also have been mailed to each member at least two weeks prior to the assembling of the convention.

In respect to the second aim of the association, the assistance of its members involved in labor difficulties, the association acts in a variety of ways. In the first place, it may assist the member involved to procure men to replace those striking, or have his work done for him, or directly grant to him financial help. In

all cases it undertakes to take such legal steps as are necessary for the protection of his rights, and puts at his disposition the services of its commissioner, and other officers, to advise and assist him in arriving at a settlement of the difficulty. In securing men to replace strikers, the association is not bound in any case to procure more than 70 per cent. of the members' striking force. To secure these, the association is authorized to pay such a bonus as may be necessary in order to obtain them. To meet this demand for labor, the association, however, places its chief dependence upon its system of local and national employment bureaus. All of the local metal trades associations have been encouraged to establish and maintain employment bureaus through which their members can obtain employees without having to resort to trade unions. In 1904, according to a report made to the national association, such bureaus were in active operation in fifteen cities. On May 4, 1903, the national association adopted a set of regulations setting forth the rules for regulating the local employment bureaus, and providing for a national employment department. It would lead us too far astray from the main purpose of this paper to enter more fully upon a detailed description of the organization and workings of these bureaus. The reader, moreover, will find in the resolutions of the Metal Trades Association relative to these institutions a very clear statement of their aims and methods of work. Some further reference will also be made to them in our concluding remarks.

#### IV.

The second employers' association selected for special description is the National Founders' Association. This association constitutes another organization of employers

created for the sole purpose of treating collectively with employees upon a national basis, and is scarcely second in importance to the National Metal Trades Association, that has just been considered. Like that association, it has had, since its organization, to deal with one of the oldest and strongest national labor unions of the country. This is the Iron Moulders' Union of North America, which was founded nearly fifty years ago, and has long had a reputation as one of the best-managed unions in existence. Some idea of the character and strength of this union may be obtained from the facts that it has a membership of nearly seventy thousand, a reserve fund of several hundred thousand dollars, that it collects from its members dues of fifteen dollars per man per annum, in addition to special strike assessments, while its disbursements exceed six hundred thousand dollars yearly. Its journal, *The Iron Moulders' Journal*, is one of the best-edited labor organs published in the United States.

The National Founders' Association was organized at Cincinnati, Ohio, in 1898, by some thirty foundry operators, who had previously held a preliminary meeting in New York, at which they had agreed upon a general scheme of organization and tentative draft of a constitution and by-laws. It has steadily grown in importance until at the present time it embraces from four hundred to five hundred members owning plants in all parts of the country, and may fairly be said to constitute a general national organization of founders. At the outset it cannot be too emphatically stated that this association was not organized in a spirit hostile to trade unions, but, on the contrary, represented the desire on the part of its organizers for a body through which equitable and proper relations might be had with such unions. The sincerity of the association in its desire to establish satisfactory relations with

the employees of its members through direct negotiations with their organization, the Iron Moulders' Union of North America, is seen from the fact that immediately after its creation it took up the matter of formulating a general agreement regarding the settlement of labor disputes with that body. This resulted in the adoption in 1899 by the two organizations of what was known as the "New York Agreement," the language of which is practically identical with that of the "Chicago Agreement" entered into between the National Metal Trades Association and the International Association of Machinists in 1900, the New York Agreement, in fact, constituting the model after which the Chicago Agreement was drafted. This agreement was far from a collective contract regulating the conditions of labor in the foundry. It was but the expression of the opinion that each organization recognized that the other represented the properly constituted agent for its members, and that differences which arose should be adjusted, if possible, by a frank conference between the representatives of the two.

The actual agreements regulating conditions of labor were at that time being made between the individual employers and the local unions of the Iron Moulders' Union. This practice was unsatisfactory both to the National Founders' Association and to the Iron Moulders' Union, as under it it was impossible to work out any consistent policy relative to labor contracts. The National Founders' Association, at its Detroit meeting in 1902, accordingly provided for the appointment of a "Committee on Uniform Agreements," and intrusted to it the task of drawing up the form of a general agreement that, in the words of the committee itself, "would carry with it uniform conditions, and which could be applied to every locality under the jurisdiction of the National Founders' Association." The idea was not that the national agree-

ment should supplant the local agreement, but that it should express those general conditions that should be incorporated in all such contracts. At the annual convention in November, 1903, the committee reported the draft of such an agreement. The plan of a uniform agreement was theoretically indorsed, but no form of agreement was officially adopted, it being the opinion of the members that the committee should continue its efforts to secure a formal agreement that would be acceptable to the moulders' union, as well as the association. Unfortunately for the settlement of conditions in this trade, the committee was forced to report at the convention in December, 1904, that, notwithstanding its best efforts, it had been unable to secure the acceptance by the iron-moulders of those fundamental principles which the committee believed to be essential features of any proper agreement between organized labor and capital. More than this, they had to report that, in their opinion, the "New York Agreement," which had in a way constituted a general agreement, should be formally abrogated on account of the extreme and unjust manner in which, in its opinion, its provisions were interpreted by the moulders and the failure of the latter to comply with its conditions. This unfortunate condition of affairs, it was believed, was due wholly to the character of the officers who happened to be in control of the moulders' organization.

The association, accordingly, at its convention in December, 1904, abrogated the "New York Agreement," and, being unable to secure a new national agreement in its place, formally adopted in its stead a carefully prepared programme, setting forth the policy of the association in respect to labor matters, declaring that no agreement would be recognized that was not based upon that statement. This statement of policy is an exceedingly important document, and gives in the most concise and

direct way the philosophy, so to speak, of a great body of employers regarding conditions that should prevail in labor contracts. As it takes substantially the same position as that taken by the declaration of principles of the National Metal Trades Association that has already been described, it is not necessary to analyze its provisions here. It enters into somewhat greater detail and covers more points than that declaration.

An account of the technical organization and methods of work of this association can be given in very brief space, owing to the fact that its organization and methods are similar, in most essential respects, to those of the National Metal Trades Association, already described. Membership in the association is limited to persons or firms engaged in the operation of foundries where castings in iron, steel, brass, or other metals, are made. The practical administration of affairs is vested in an administrative council, consisting of the chairman and vice-chairman of each district, and the president, vice-president, and treasurer of the association, and a salaried executive officer known as "commissioner," who is appointed by the president, with the approval of the administrative council. Probably the most characteristic feature of the organization of the association is the division of the country into eight districts, and the election by the association of a district committee of five members for each, to have immediate direction over affairs within its territory. The association is thus not a league of local associations, but a body in which the individual concerns are directly represented. While analogous, this system, it will be observed, is not identical with that adopted by the Metal Trades Association. The association is supported by dues paid by members in proportion to the average number of moulders, moulding-machine operators, and core-makers employed by them,

the amount of these dues varying from twenty cents per man per month, in the case of apprentices and unskilled workmen, to forty cents per man per month for journeymen moulders. In no case, however, can the payment of a firm be less than fifteen dollars per month. These dues were fixed at such a rate as it was believed would, under ordinary conditions, permit a considerable portion of the receipts to be carried to a reserve fund upon which the association could draw when involved in important labor disputes.

The investigation and adjustment of labor disputes constitutes the main object of the association. In case of any difficulty arising with his labor force, it is the duty of a member to report it immediately to the commissioner, whose duty it is to investigate the trouble, and, if possible, secure its equitable adjustment. It is expressly provided that "no adjustment of any such difficulty shall be made by the commissioner, or by the member involved, which shall not be in full conformity with any and all agreements and obligations which may be binding upon the association at the time of such adjustment." The by-laws further provide that,

By asking the aid of the association, the member places the matter in its charge, and binds himself to carry out any decision made by the administrative council or those acting under its authority; and, pending the decision of the matter, he must not make any settlement or discharge the workmen without the consent of the administrative council.

Under this system it does not at all follow that the association will in every case take the side of the employer. It may find that the member is wholly or partially at fault, and in such cases does not hesitate to act accordingly. Frequently it finds that the whole trouble is largely the result of a misunderstanding or some personal

incident that can be adjusted by a third party. The system, at any rate, insures that the several members will not constantly be taking inconsistent attitudes, and that fundamental principles of general applicability are not violated, and the whole question of the establishment of proper relations between labor and capital thereby made more difficult.

In aiding members while on strike, the system of the association approximates pretty closely to that of a mutual strike insurance institution. The by-laws thus provide that, when due effort has been made to secure the settlement of a difficulty and has proven ineffectual, and a strike has followed, the administrative council, in its discretion, may grant aid to the member affected: by procuring workmen for him to the extent of 70 per cent. of his labor force; by having the work done for him elsewhere to the extent of 70 per cent. of his recent output; and by giving him pecuniary assistance not to exceed two dollars per man per day, to the extent of 70 per cent. of the average number of men employed by him. In accepting aid, the member obligates himself to abide by the action of the association in adjusting the difficulty.

The National Founders' Association, like the National Meta<sup>1</sup> Trades Association, has adopted the system of issuing "certificates of recommendation" to such employees as prove themselves to be not only satisfactory workmen, but willing to abide by the conditions that, in the opinion of the founders, should be a part of the labor contract. It also publishes a monthly periodical, entitled *The Review*, in which are given the current news of the association, an account of labor difficulties in which its members are involved, etc. Its most important other form of activity is the policy which it adopted in 1904 of the association itself engaging a certain number of moulders under yearly contracts, so as to have them

available to send wherever any member has need of them on account of the employees of his establishment being on strike.

## V.

Although the chief intent of this paper is to give an account of the movement for the organization of employers only in so far as that movement has resulted in the formation of national associations, an exception should be made in the case of the building trades, as here, from the very nature of the industry, the dominating organization must necessarily be that of the district or city. As the competing district in this industry is local rather than national, it is manifestly impracticable for negotiations with labor unions relative to labor conditions to be intrusted to a national organization of employers in the same way as in other industries, though there may be room for such an organization for certain general purposes. Apart from this, moreover, the problem of organization in the building trades, both as regards employers and employees, is in many respects different from that in other industries; and the form of organization that has resulted presents a number of features peculiar to itself and of more than ordinary interest.

The conditions that make the problem of organization in the building trades of unusual difficulty consist in the facts that so many different but yet interdependent trades are involved; that the workingmen, instead of being continuously employed by the same masters, are constantly changing employers; that the number of employers and small shops is so great that unity of action is difficult to secure; and that the work is of such a character that labor enjoys a high degree of mobility, being able with comparative ease to move from place to place in search of work. Of these the first—that a large

number of trades have to be dealt with—is much the most important. As a consequence of these peculiar conditions, no industry has suffered more during recent years from labor difficulties. In New York, Chicago, and other important cities all building operations have repeatedly been brought to a practical standstill. The significant feature of these disputes is that in almost all cases their causes, upon final analysis, can be directly traced to lack of, or faulty, organization. It is for this reason that sympathetic strikes and lockouts, inter-union contests, etc., have played such an important rôle. While both the employers and the employees have their organizations by trades in most cities, there have been lacking central organizations through which all of these bodies could be made to act in harmony. The experience of New York City in this respect is typical; and the history of the events of the past two or three years, which have led up to the correction of this defect by the creation of strong central organizations to represent the employers and employees of all the building trades, is well worth brief description.

For a number of years prior to 1902 the thirty odd trade unions of the building trades were grouped into two general bodies,—the Board of Delegates and the Building Trades Council,—which were unfriendly to each other. Roughly speaking, the former represented the outside trades, and the latter the trades calling for work inside of houses. The disputes between these two organizations occasioned great hardships to builders. After repeated failures the attempt to amalgamate them was at last successful, the two being merged on March 11, 1902, into the "United Board of Building Trades." This board, by the terms of its organization, constitutes a body the functions of which are to adjust differences that may arise between the trade unions representing the

workingmen in the different branches of the building trades, and to insure that no union shall be able to involve other unions in a dispute until the ground for such action has been carefully investigated by, and received the approval of, the United Board. The individual unions are allowed to adjust their differences with employers as they deem best, but the assistance of other unions can be only demanded by bringing the matter before the board, and, after it is so brought, the decision of the board must be rigidly adhered to. In this way very many ill-advised and unreasonable demands are checked that formerly would have led to strikes. The greatest service of the board, however, lies in its settlement of the frequently occurring disputes between unions relative to their respective jurisdictions. In this respect the board performs for the building trade unions the same function as that performed by the American Federation of Labor on a larger scale for the entire country. The board itself makes no agreement with employing builders, this being left to the individual unions to take up with the corresponding associations of employers in their trades.

The employers in the building trades were a year behind the workingmen in coming to a realization of the advantages offered by the possession of a single central body that could act for them all collectively. Like the employees, the masters in each trade had their own special organizations, but until 1903 little or no effort was made to establish permanent relations with each other. The relations between the building contractors and their employees represented by their unions, however, became so intolerable that the former at length saw that, without united effort for the protection of their interests, they would have to make a complete surrender to the unions or look forward to an indefinite continuance of chaotic conditions. They, accordingly, in May, 1903,

succeeded in effecting an organization under the name of "The Building Trades Employers' Association of the City of New York." The constitution of this association provides for four classes of members: represented members, consisting of persons or firms holding membership in any employers' association represented on the Board of Governors; individual members, consisting of persons or firms actively engaged in building operations in the city, and not members of such employers' associations; associate members, consisting of persons or firms engaged directly or indirectly in building operations in the city, but not eligible as represented or individual members, such, for example, as selling agents for materials; and honorary members, consisting of the commissioners or superintendents of the departments of the city of New York connected with the building industry. The first two classes only are entitled to vote at meetings or be represented on the Board of Governors. The funds of the association are derived from initiation fees, dues, fines, etc. The initiation fee consists of \$25 for each represented member, payable by his association; \$50 for each individual member; and \$25 for each associate member. The annual dues are \$40 per member. If an individual member is eligible to membership in one of the affiliated employers' associations, he must pay the initiation fee and annual dues as if he belonged to such association in addition to his payments as an individual member.

Although provision is made for a president, vice-president, secretary, etc., the real government of the association is vested in a board of governors, consisting of three representatives from each of the thirty employers' associations that had united to found the association, and of such other associations as might afterwards be admitted. On this board the representatives of each employers'

association are entitled to one vote for every five of its members in good standing, such vote, however, to be cast as a unit. Some idea of the powers of this board may be gathered from the following statement of its duties, as enumerated in the constitution of the association:—

The Board of Governors shall have power to decide all controversies, difficulties, and differences arising between the members of this association and their employees; to determine and regulate the conduct of the members of this association relative to such controversies, difficulties, and differences, and to decide all disputes and disagreements arising between employers' associations represented on the Board of Governors and employees' associations. Also all controversies, difficulties, and differences arising between the different employers' associations represented on the board; to determine, regulate, and control the conduct of such employers' associations relative to such disputes, difficulties, and differences, and generally to determine, regulate, and control the conduct of the members of this association and the employers' associations represented on the board in all matters pertaining to their relations with their employees, or in any and all matters affecting the building industry, the business interests in such building industry of the members of this association, and for this purpose to make general rules and regulations, provided, however, that, when the controversy, difficulty, or difference existing affects members of only one employers' association represented on the Board of Governors, the Board of Governors shall take no action, except upon the request of the governors of the association in which the difficulty, difference, or controversy exists. They shall have power to delegate any or all of their powers, excepting the imposition of penalties, to committees. The decisions, orders, prohibitions, and regulations of the Board of Governors shall be final and obligatory upon each and every member of this association, and shall be complied with, obeyed, and observed in good faith by every such member. . . . Where the question of ordering a cessation or resumption of work by any or all of the members of the association is before the board, representatives from not less than 75 per cent. of the associations represented on the board shall constitute a quorum; and, to order a cessation or resumption of work, at least four-fifths of the vote must be in favor of such an order.

It will be seen from this statement that the individual employers' associations have taken the radical step of subjecting themselves almost absolutely to the decision of the general association in respect to all matters having to do with labor disputes, when such disputes can in any manner affect any branch of the building trade other than their own. Much the most significant and characteristic feature of this whole system, however, is the means that is provided to insure compliance on the part of the members of the association with the latter's orders. This consists in the obligation of each represented and individual member to furnish a bond with the National Surety Company of New York as surety, in an amount to be determined in each case by the association, that all of the latter's orders, decisions, and regulations will be rigidly complied with. This bond, in the form adopted by the association, is what is known as one for liquidated damages; that is, one where no proof of damages has to be furnished, the full amount becoming payable merely upon the Board of Governors declaring that the conditions of the bond have in any way been violated. The Board of Governors is, furthermore, given power to impose fines and penalties upon members for cause.

Immediately upon its organization the new association undertook, in conjunction with the representatives of the labor unions, to formulate a statement of the general principles that should govern both parties in the determination of labor conditions and the adjustment of disputes. In this effort success was not at first obtained. The association, in order to bring the unions to terms, thereupon inaugurated a general lockout which almost stopped building construction work in the city of New York during several months of the year 1903. This lockout was terminated by the unions practically accepting all the demands of the builders' association. The essential

feature of these demands was the acceptance of a scheme for the arbitration of all disputes which had been proposed by the builders. This scheme was accepted at a conference between the Board of Governors of the Building Trades Employers' Association and the representatives of the labor unions held on July 3, 1903. Probably the most important provisions of the plan thus adopted are those known as Sections 8 and 15, which provide, respectively, that

The unions, as a whole or a single union, shall not order any strike against a member of the Building Trades Employers' Association, collectively or individually, nor shall any number of union men leave the works of a member of the Building Trades Employers' Association, nor shall any member of the Building Trades Employers' Association lock out his employees, before the matter in dispute has been brought before the General Arbitration Board,

and

The members of this association agree to employ members of the trade unions only, directly or indirectly, when parties to this agreement. It is understood, however, that in any case where a trade union is unable to provide sufficient workmen the employer or employers in that trade may hire workmen, not members, who shall become members of the union, if competent. That, after the date of the signing of this agreement, no union shall become a party to this agreement without the consent of the Executive Committee.

The importance of the first of these sections as a means for preventing sympathetic and unnecessary strikes needs scarcely to be pointed out. The second merely affirms a practice that the members of the Building Trades Employers' Association were already pretty generally following. It only remains to note that, under the scheme of organization of employers and employees that has been described, the function of making the actual labor

contract still properly rests, as in the past, with the organization of employers and trade unions for each branch of the building trade, while the rôle of the central association lies in determining only the general conditions that shall be met in acting where more than one trade is affected, and in serving as a higher court for the adjustment of disputes that cannot be settled effectively by the subordinate associations and unions. Thus far there can be no doubt that perfecting the organization of both parties has contributed powerfully to the maintenance of peace in the trade. That it represents the final step in the evolution through which the movement has been passing is hardly likely.

## VI.

The foregoing account of the National Metal Trades Association, the National Founders' Association, and the Building Trades Employers' Association of the City of New York, is of interest, not merely as showing the organization and methods of work of these particular bodies, but as pointing the lines along which the whole movement for the organization of employers is proceeding.

As regards methods, it is interesting to note to how large an extent the employers' associations have profited by the experience of the trade unions, and have copied the means of action developed by them. Almost every important feature of trade-union organization finds its counterpart in the employers' organizations. Each attempts rigidly to control the action of its members in respect to the inauguration or settlement of trade disputes. Each has its defence fund, and aids financially and in other ways the member involved in a dispute resulting in a cessation of work. While the trade union seeks to limit the opportunities for employment to a body

of men professing its principles, the employers' organization, through its employment and registration systems and the giving of certificates of recommendation, attempts to secure another labor force that will make it independent of such union labor. Just as the unions also have found it necessary to employ salaried business agents, or "walking delegates," as they were formerly more usually called, so the employers' organizations have their commissioners with analogous functions.

Of these different means of action, the only ones which call for further description or special consideration are those of the labor bureau and the certificate of recommendation. The importance of these two devices does not lie in the fact that they are part of the machinery for arriving at an equitable adjustment of labor conditions, but that they are rather the offensive weapon by use of which the employers' associations hope to be able to counteract and defeat the influence of the trade unions. Especially is it upon them that chief reliance is placed by employers in their fight against the union shop. The labor bureaus, as organized and conducted, combine two functions,—those of an employment and a registration bureau. As the first, there can be no doubt that these bureaus can perform a valuable service to the employers, and, if not run in a too hostile spirit to trade unions, to the workingmen as well.

It is in the second, or registration, feature, however, that the trade unionist sees the chief menace to the success of his aims. This feature, as found in the better organized bureaus, comprehends the maintenance of an elaborate and complete card record system by which the name, address, trade, place of previous employment, reason for leaving such employment, record, etc., of not only every applicant for work, but of every employee of the members of the association, can be known at a

moment's notice. This record is kept to date by employers making returns, on cards provided for that purpose, of all changes made in their labor force, and the reason for such changes. The bureau, therefore, acts as a central office for the keeping of the records of all employees of the members, whether they are obtained through the bureau or not. It needs hardly to be said that an institution of this kind, by relieving employers of the difficult task of passing upon applicants for work and of finding men with the qualifications desired, can render a very valuable service to employers, and in a way may be said to fill a real want. At the time it should be noted that such an institution, taken in connection with the system of issuing certificates of recommendation to those employees who have not rendered themselves obnoxious to their employers, can very easily be an instrument of extreme injustice or oppression. Thus, for example, it could be so administered that a person discharged by an employer might practically be put in a position where it would be impossible for him to obtain employment elsewhere in his residence town. Particularly would this be so if the main purpose of the creation of the bureau was that of hostility to trade unions and as a means of crushing them out. If it was so conducted that an employee participating in a strike would in effect be black-listed by other employers, all of the recognized evils of the black-list would be present in the most aggravated form.

In the preceding pages the attempt has been made to give both a detailed description of certain typical organizations of employers and to comment upon those features which are general to the whole movement. This detailed consideration was necessary in order that the real character of the movement might be understood. The value of such a study would be largely lost, however, if no

effort were made to point out, as definitely as our knowledge will permit, the fundamental significance of the movement as a part or feature of the evolution through which the organization of industry is now passing, and what are the lines along which it will probably run in the future. The fact that stands out most clearly from this study is that employers' associations, to perform their special function of dealing with labor properly, must be organized along trade lines, and that a place must be found in their scheme for both local and national bodies. It would seem that logically, as in the case of trade unions, the administrative unit should be the local association, and that the national body should represent a federation of the former, though having sufficient power to compel the locals to abide by its decisions on important points. The National Metal Trades Association approximates pretty closely to this scheme of organization. Under this system there is also room for district associations, in order to enable local associations in the same general trade district to act together in respect to matters pertaining especially to their territories.

As the movement advances, while the principles that should control in determining the scheme of organization will become clearer, the practical problems to be met will undoubtedly become more complex and difficult of solution. These difficulties will be especially evident where an employer is engaged in different lines of work, and it becomes, consequently, necessary for him to act with and through a number of organizations, and to have contractual relations with various labor unions. The necessity that has already been pointed out for a more satisfactory general association or federation of employers' associations in all branches of industry after the general model of the American Federation of Labor will thus become increasingly apparent.

When this degree of organization is reached, there will then be in existence bodies through which both employer and employees can authoritatively express their attitudes towards matters in which both are mutually interested. Instead of the issue being joined in individual shops, or even in individual trades, with the certainty that there will be no uniformity or consistency in the decisions arrived at, a mechanism will be in existence whereby the matters in dispute can be considered from the standpoint of the principles that should govern generally in the adjustment of the relations between labor and capital. It is scarcely necessary to emphasize the supreme importance of arriving at this condition of affairs. Until it is reached, until the principles upon which action should be based are determined, nothing approaching general industrial peace is possible. Without it all conciliatory adjustments, arbitration, etc., are but temporary makeshifts. This can be clearly seen in the failure of the efforts of the two national associations that have been considered to reach a permanent agreement with the corresponding trade unions of their respective industries, notwithstanding that their efforts were inaugurated in such a thoroughly tolerant and well-intentioned manner. The moral of the whole history is that as yet both labor and capital have devoted their attention to attempts to settle immediate difficulties rather than to examine exhaustively the principles that under modern conditions should govern their relations with each other, or, to express it otherwise, to study and make up their minds regarding what may be called the philosophy of the question. Until that is done and an approach to concord regarding such principles is reached, no efforts can be productive of more than temporary or partial results.

In conclusion, several possible far-reaching consequences of this movement for the organization of both

classes of industrial workers should at least be mentioned. In the first place, it should be noted that one fundamental outcome of the movement is the great advance which it represents towards status, or fixity, of conditions. The character of industrial organizations and the conditions under which the different factors of production will give their co-operation in the production of wealth is being determined and enforced in a general or comprehensive manner, in much the same way as if the State itself had intervened, and by the exercise of legislative authority had declared the conditions that should prevail. The method is radically different, but the final result is much the same. More and more the individual employer and employee is losing the power to determine for himself the conditions under which his work will be performed. The manufacturer or artisan in entering a strongly organized industry finds many of the most important conditions of work already almost as definitely determined as if they had been fixed by law. There is no better illustration of the fact that legislatures are by no means the only bodies who are framing the provisions that shall govern the conditions under which the modern complicated mechanism of industrial society must be operated. Organs and methods are being evolved with the purpose of devising and enforcing rules for industrial work. It is thus not a question whether they shall be prescribed by the State or not at all, but whether they shall be made by State or some other organization.

To the individualist this tendency will probably appear as presenting all the dangers of State action itself. While there may be a certain basis for this, it is one the effect of which can very easily be exaggerated. The most important fields in which the originality and energy of the individual employer can be employed are those of the selection of materials, the adoption of technical meth-

ods, the determination of the character of the product to be manufactured, etc. In these there is no tendency for the initiative of the individual to be in the least curtailed. On the other hand, it may almost be said that the employer, being relieved from the trouble of determining many of the features of labor conditions, and being certain that in such respects he is enjoying equal advantages with his competitors, will be able to concentrate his attention more fully upon the operations of production proper. Certainly, up to the present time there is no indication that dull uniformity either of manufacturing practice or product will result from the movement that we have been describing.

In another respect, however, the movement gives rise to serious possibilities for the future. If the movement for the organization of employers, while itself becoming more wide-spread and firmly established, does not have as its effect the permanent stopping of the parallel movement for the organization of employees,—a result that is hardly to be anticipated,—there will ultimately result a condition of affairs when each trade or industry will have its industrial workers strongly organized in two powerful associations. Sooner or later such associations will come to an understanding regarding the more essential principles that should govern the contracts to be made between them, or at least establish a *modus vivendi* or working agreement. When that day arrives, these two associations, acting in accord, will be able to dictate almost absolutely the conditions that shall prevail in the trade, not only as regards their mutual relations, but the consuming public as well. Indeed, there are already evidences in the so-called new trades movement, started by Mr. Smith in Great Britain some years ago, and in certain of the agreements made between employer and employee associations in Chicago and New York, that this

stage of the movement has in cases already arrived. Should action along this line continue, it is evident that the whole movement will assume a somewhat different aspect, and present a new element that will call for special consideration both by students of economics and those having in charge the protection of the general industrial interests of the people.

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